

Human Resources Committee Meeting

Douglas County, Nebraska

Wednesday, May 18, 2016

The meeting convened at 1:01 P.M. in Room 903 of the Omaha-Douglas Civic Center, 1819 Farnam Street, Omaha, NE 68183. A copy of the Open Meetings Act is located on the wall near the entrance of the room. A notice of the meeting was published in the May 13, 2016, issue of *The Daily Record*. The County Commissioner present at the meeting was Mary Ann Borgeson. Others present at the meeting were Patrick Bloomingdale, Chief Administrative Officer; Theresia Urich, Douglas County Attorney's office; Joe Lorenz, Diane Carlson, and Catherine Hall, County Administration; Karen Buche, Kathy Adair, and Tim McNally, Human Resources; Jane Faust and Constance Mierendorf, Douglas County Clerk/Comptroller's office. Commissioner Borgeson chairs the Committee.

A video recording of the meeting is available on the Douglas County Website:

<http://commissioners.douglascounty-ne.gov/board-meetings/videos>.

1. Renewal/RFP for Flex Spending Account Agreement

- Diane Carlson said the Flexnet contract expires at the end of the year. AFLAC has been paying the fees in the amount of \$26,000/year voluntarily and will continue to pay until the end of this year. AFLAC has voluntarily paid the fee for the past 9 years.
- The question now is what to do for January 2017. Does the Board want to go out for an RFP or see what the renewal rates are from PayFlex? Either way, Ms. Carlson said the Board should designate AON as "broker of record" so AON can represent the County.
- Technically, the contract has been a Professional Service contract and was not sent out for bid. 18 months ago, Karen Buche did an RFP including PayFlex. It ranked second best on price and the best in service. Payflex is one of the only large processors in Omaha.
- Ms. Carlson said PayFlex has been handling the administration for the past 3 years. There is an automatic renewal and fees are subject to change. PayFlex must give 120 day notice of changes.
- This is a \$26,000 expenditure the County has not been paying for the past 9 years.
- Commissioner Borgeson said there were a couple of insurance companies that had shown interest in the County. One of those is Northwest Mutual; they may be interested in offering services voluntarily.
- Ms. Carlson said AON is reaching out to the County. They requested a letter that says they are "broker of record." She will first contact PayFlex and find out what renewal rates are. The contract is renewable 12 months at a time.

- Patrick Bloomingdale said the agreement with Payflex was a Professional Service Agreement. Theresia Urich said the contract could be renewed.
- Joe Lorenz said the County would pay the additional fee out of the health insurance fund if necessary.

2. Renewal/RFP for Wellness Vendor Agreement

- Kathy Adair said that the contract with Viverae, the County's Wellness Program vendor, expires at the end of 2016. She contacted them to see if there is any increase in fees. At this time, the program is growing and gaining momentum and she recommends that we continue with the program.
- The numbers of participants in the program have increased dramatically:
 - 2014 (1/2 year) 226
 - 2015 (full year) 396
 - 2016 (1/4 year) 466
- Of the 446 participants this year, 283 have already met Tier 2 point requirements. Some employees are at 400 points.
- Ms. Adair said that to change vendors at this juncture was not desirable. It has a good portal and is being well received. AON is the broker of record.
- The Committee reached consensus on continuing with Viverae.

3. Paid Sick Leave for Federal Contractors

- Karen Buche presented a Memorandum summarizing Executive Order 13706 Establish Paid Sick Leave (See Attachment A). The Executive Order was passed on September 6, 2015. It applies to Federal contracts entered into after January 1, 2017. It applies to contracts over \$2,500.
- The two major areas that are involved with Federal contracts are the Douglas County Health Center and Corrections.
- Ms. Buche said the County already provides paid sick leave for all employees it is prorated and based on hours worked for those who are part-time. She presented a Power Point of the Executive Order (See Attachment B)
- The Executive Order states that the employer must give 1 hour of paid sick leave for every 30 hours worked. The employer cannot set the maximum at fewer than 56 hours per year.
- The County already provides sick leave for all employees. Part-time sick leave is prorated based on the number of hours an employee works.
- Grants are excluded. At the Health Center there is no way to distinguish whether someone is working on a Federal contract or not; the Center treats all employees the

same. If a union contract provides for more sick leave than 1 hour for every 30 hours worked, then the union contract applies. This Order establishes the minimum.

- The County has to decide how employees are treated when they work in an area where there are Federal contracts. More research is needed.
- Sick leave use is expanded for domestic violence, sexual assault or stalking (See B-8)
- Regulations will be issued on September 30, 2016.
- Contracts that have been entered into and are in place now do not contain this language and are not affected. The Order applies to new contracts.
- Ms. Urich noted that a number of mutual bi-lateral negotiations deeming an old contract a new contract might be possible.
- More will be known as Regulations are issued in September. It will affect all employees working under Federal contracts.
- Ms. Buche said the Order might impact the Clerk's office because it may have to set up accrual plans. Jane Faust said that the numbers were so few that there would not be a need to set up accrual plans.
- The major Federal contract at the Health Center is the Veterans Administration.
- Commissioner Borgeson said that on the other end, the County could not contract with the Federal government. In the end, the County would not take ICE or other agencies if they cost us money. Grants are excluded.
- This Order exempts Medicare and Medicaid payments; other executive orders are coming that do not exempt Medicare and Medicaid.
- Ms. Urich said a recent grant she read stated the contract will be treating all employees as Federal employees.
- Ms. Buche will continue to work with County Attorney's office and will speak with Dr. Foxall at Corrections and Mr. Tourville and Ms. Will at the County Health Center to learn more about which employees may be affected. She will keep Ms. Carlson in the loop and will report back to the Committee. Ms. Buche will also explore whether the County has any other Federal contracts that may be affected by the Order.
- Commissioner Borgeson said Ms. Buche needs to make this presentation at the County Board meeting once she has more information.
- Ms. Urich suggested that the presentation be done after the Regulations are issued.

4. Update on HR (Human Resources) Strategic Planning Initiatives

- Patrick Bloomingdale said the Board should consider whether or not to discontinue retiree insurance coverage in 2017. The amount of this coverage is approximately \$2.5 million. Mr. Lorenz said this would be discussed in Finance Committee in conjunction with the budget. (See Attachment C).
- Mr. Bloomingdale said developing a legislative agenda is something Human Resources does every year; however, this will be a long session so more may be possible.

- If the County goes to a Paid Time Off (PTO) system, this may cost us more money. Commissioner Borgeson asked HR to do a study to determine whether the County should consider a PTO.
- Ms. Urich suggested that once the Federal regulations come out in September, HR should check against the PTO.
- Ms. Buche said the HR department is in the beginning stages of analyzing every job for experience needed and education needed. It is grouping them and looking at the pay spread between positions. The department is not looking outside for data because the department does not have funds to do that. At one time an outside consultant who did market research in 2009 made recommendations and HR is resurrecting that study. Cost was the biggest factor in not implementing some of those recommendations. All employees, even union employees, are being considered. The timeline for completion is October.
- Enhancing employee wellness policies and programs is an ongoing process. Ms. Adair said there are options that can be added to the Viverae program, e.g. disease management. Coaching was added this year: 34 employees are making use of the option which can range from nutrition to smoking cessation to exercise. This could be another presentation to the Committee.
- Succession planning is something the County can do within limits. Not naming individuals but identifying internal talent. Employees can be identified to groom for positions and formalized processes can be put into place.

5. Other Business: Fair Labor Standards Act Revision

- Karen Buche said that on May 17, 2016, the Department of Labor announced a revision to the Fair Labor Standards Act (FLSA) (See Attachment D). That revision increases the salary threshold for employees who qualify for overtime compensation. The revisions go into effect on December 1, 2016.
- The salary threshold was \$23,660 annually and the revised threshold is \$47,476.
- Employees in 10 departments with 21 jobs will now move from exempt to nonexempt. This means that those employees who make less than \$47,476 will qualify for overtime pay or compensatory time for any hours worked over the 40 hour work week.
- The salary threshold will be reviewed and updated every 3 years.
- The County needs to be prepared to act on this revision, though the majority of affected personnel do not work overtime.

6. **Other Business: Caregiving Policy**

- Commissioner Borgeson said the County does not have a formal policy to address the needs of those who may become caregivers to their family.
- Ms. Buche said an employee can use up to 40 hours of non-FMLA sick leave to do care giving or up to 80 hours of FMLA . However, often this time is not sufficient.
- Commissioner Borgeson asked Marcos San Martin if there are any policies that Douglas County could consider. If there are not, perhaps the County could create its own policy. The need for a policy where employees can balance work and family care is needed, especially as the work force ages.

7. **Other Business: FMLA**

- Ms. Buche said that on December 15, 2015, the County enlisted CIGNA to administer FMLA. CIGNA did not charge the County for the first 6 months; now the County will have to begin to pay for the service.
- The service has not been satisfactory and many people who have applied for FMLA through CIGNA have been rejected. The processes have become increasingly complicated. Many complaints have been made by departments, individuals, and even one of the unions.
- The process would probably be more effective if the information that a short term disability agreement was in place. The County does not have a short term disability policy with CIGNA and this may be one of the reasons that the system is not effective. The form CIGNA requires is burdensome and people are being told by CIGNA that if a claim is not complete, they must return to their doctor (sometimes having to pay a co-pay) to have corrections made to their applications.
- Ms. Buche suggested that the cost of \$35,000 that CIGNA would charge would be better spent by hiring a part-time person internally to handle claims. Claims would be handled more efficiently, accurately and quickly.
- Ms. Carlson said the County may have to give 90 day notice to CIGNA of termination. Ms. Urich said that if CIGNA is in agreement with the termination, 90 days would not be necessary.
- Mr. Bloomingdale said the idea of dropping CIGNA should be brought to the Board for discussion followed by a Board resolution.
- Commissioner Borgeson said Ms. Buche should present the idea of terminating the CIGNA agreement to the Board and make clear that the funds that would have been spent on CIGNA would be used to hire a part-time person. Mr. Lorenz said the Insurance Fund could pay CIGNA but not an individual; however, he would seek solutions to that problem.

